Complementing In-App Purchases with Rewarded Ads

Fyber's client, a leading international publisher of mobile and social games, wanted to explore adding rewarded ads to complement in-app purchase features in one of their award-winning titles. The free-to-play fantasy role-playing game had earned top chart rankings and achieved hundreds of millions of player-vs-player battles.

The client was interested in integrating ads, but had questions about how it might affect their existing monetization strategy and overall user experience. So they conducted a series of studies examining user behavior, both before and after integrating rewarded ads through Fyber's monetization platform. Ultimately, the client wanted to answer the question that many developers ask: **"Can rewarded ads increase the likelihood that a user would make an in-app purchase?"**

Key findings for players who engage ads

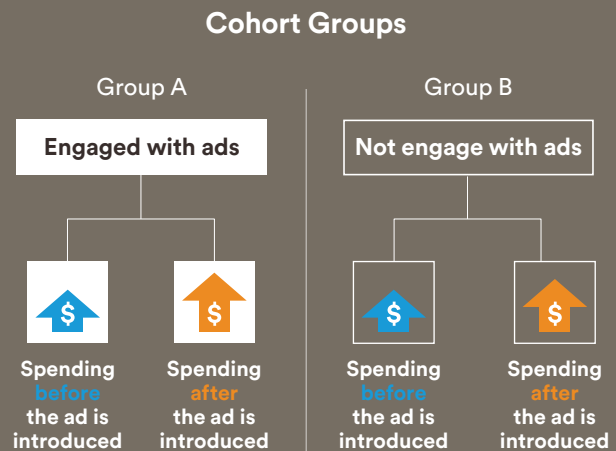up to
100%
boost with in-app purchase spend

more than
2x
as likely to make an in-app purchase

2.5x
increase in likelihood to remain active in the game

Players that engage with rewarded ads spend more

Users were divided into six cohorts by the size of their recent spending. Then, each cohort was divided into two groups: those who engaged with rewarded ads (Group A) and those who did not (Group B). Over a period of time, the client compared the amount of spending by Group A & B, both before and after the rewarded ads were introduced.

If rewarded ads cannibalized in-app purchase revenue, then the ratio of spending by those who engaged with ads should decrease relative to users in their cohort who did not. Instead, the client found that in all cohorts except one, those that engaged with ad content eventually spent more than their counterparts. The user cohorts with lower spending amounts showed the biggest boost: Spending 40-100% more after interacting with ads.

Cohort Groups

Group A

Engaged with ads

Spending **before** the ad is introduced

Spending **after** the ad is introduced

Group B

Not engage with ads

Spending **before** the ad is introduced

Spending **after** the ad is introduced

Using ads is a strong predictor of future spending

To explore whether rewarded ads could help users learn to use and understand the value of in-app currency, the client also studied spending behavior, while controlling for a broad array of engagement metrics (e.g. logins per day, storyline completion, and collecting in-app currency from other sources).

In all regression models evaluated, interacting with rewarded ads was a strong, positive, and statistically significant predictor of whether the player would eventually make an in-app purchase. Specifically, the player who interacted with rewarded ads was more than twice as likely to make an in-app purchase than the player who did not.

Boost retention, as well as revenue

Contrary to widely held concerns that ads might drive players to another game or negatively impact user experience, the client found that users who watched at least one video offer were 2.5x more likely to be active the following month. The key takeaway from the study was that integrating rewarded ads was an excellent complement to in-app purchases.